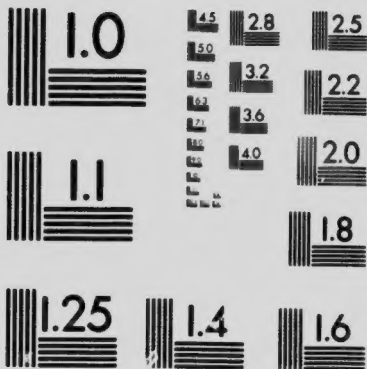




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STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)

1904

ONTARIO'S FOREST WEALTH.



INTERESTING AND INSTRUCTIVE ADDRESS

—BY—

HON. E. J. DAVIS.

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A Hundred Years of Revenue

THE COMMISSIONER ENLARGES HIS POLICY OF FOREST
RESERVATION.

Refutation of an Old Opposition Cry About the Disappearance of
the Pine—Ten Billion Feet in Sight—Splendid Exposition
of Provincial Finance—The Question of Farm Help.

The address of Hon. E. J. Davis, Commissioner of Crown Lands, in connection with the Budget debate of the legislative session of 1904, enabled the Commissioner to present to the House and to the country, in an interesting and instructive manner, much valuable information regarding the timber wealth of the Province. For years Conservative speakers and the Conservative press have, for purely partizan purposes, sought to minimize Ontario's proud position as regards forest wealth, and Mr. Davis availed himself of the opportunity to combat this unpatriotic policy with facts and figures which cannot fail to interest every true student of Provincial affairs. Mr. Davis is a man not given to extravagance of utterance and his statements, while splendidly optimistic, are at the same time most conservative and entirely borne out by the statistics gathered by the staff of the department which the Commissioner so ably directs. In his speech Mr. Davis incidentally deals with some of the oft reiterated charges of the Opposition touching the finances of the Province, presenting his arguments with the incisiveness of a practical business man, with a thorough grasp of affairs. Mr. Davis' entire address, which was delivered on February 18, is worthy of careful perusal. He said:

I would like to say a few words in reply to the questions asked by my Hon. friend from Ottawa, who has just taken his seat. I must compliment him on the fairness of his speech and especially so on the fair way he dealt with the difficulties surrounding the Crown Lands Department in connection with the volunteer land grants. I need not say that I do not agree entirely with the matter of the speech. That could not be expected, particularly having regard to his exposition of the Province's finances. But I do agree with some features of his address. I agree

with him that it is very desirable that the surveys of our newer districts should be pushed forward as rapidly as possible. I may explain in a word that we were very seriously handicapped in the conduct of our surveys last year. As Hon. gentlemen know, this House did not conclude its business until the end of June, and only just before the close did they approve of the large grant for the purpose of surveys. We could not send out our men in advance of that grant, although we had our instructions ready. Then the parties had to go further north last year than ever before; it took longer to get in and out, and the time was more limited than usual. We undertook to survey about 60 Townships. Some of these were not completed, although a certain amount of progress was made, and our hope is that, if the House is good enough to vote the money this year, we will get our men out earlier, they will complete the townships uncompleted (this will not take so very long) and will then undertake a number of townships for the coming year.

My Hon. friend was quite right in saying that there have been a great many difficulties in connection with locating the veterans. We have tried to overcome these difficulties and I quite agree with him that we are all anxious that these volunteers should be located as speedily as possible and under the most favorable circumstances. A vote was taken last session and the session before for the purpose of land guides and the agents of the department in every section of New Ontario were notified that veterans desiring a guide who was familiar with the country to direct them in their examination of lots, should be provided with a man qualified to do the work, and reasonable charges made in connection with that should be paid out of the grant which the House had been good

enough to make. The guides have been availed of in a number of cases. If they were not more generally used it was not the fault of the department, as provision was made for their use in all cases requesting such assistance.

The Year's Balance Sheet.

Mr. Speaker: For several days the representatives of the people in this House have been discussing the budget of the Province. The balance sheet and particulars of the year's finances have been given the people of the Province, and statements and criticisms have been made in connection therewith. I need not say to the House and to the country that perhaps one of the most important things to do in this House is to carefully study the financial statement of the preceding year and examine it carefully in order, after due consideration, to arrive at a fair conclusion as to whether the financial affairs of the Province are managed in such a way as to redound to the credit of the Province and to secure to the people thereof the benefits they are entitled to. This is a course pursued by all business corporations and prudent business men. Good business is very important and the reason I attach so much importance to our financial statement, and to good financing, is the fact that all the other interests—education, agriculture, the maintenance of public institutions and administration generally, require a certain amount of money in order that they may be efficient and up-to-date, and in order that they may satisfy the requirements of the country. These things cannot be carried out successfully and well unless we have money for that purpose. Therefore we see that good finance, properly speaking, is at the foundation of the success of the various departments of Government. The Treasurer tells us, from the Auditor's statement, that we have a surplus of assets over liabilities of two and a half million of dollars, in round numbers. That statement has been laid on the desk of every member of this House; that

statement is verified by the auditor of the Province. It perhaps is not quite accurate to say that it is a statement made up by the administration of the day, because it is more than that, it is a statement made up by an independent man most careful and prudent in managing the affairs of the Province, and I think the people of the Province, irrespective of party, have the utmost confidence that our auditor is careful and exacting in the discharge of his duties. In the light of that he makes up a statement at the end of every year and we are now discussing the statement of 1911. He tells us there that he has a surplus of assets over liabilities of two and a half million of dollars. There is another feature that we—

Mr. Matheson:—Do I understand that the auditor says that?

Mr. Davis:—That is the Auditor's statement.

Mr. Whitney:—Where does that appear? Where is it stated?

Mr. Davis:—Well, it is the statement which we have; this is his statement.

Mr. Whitney:—Well, that is not an answer to my question.

Mr. Davis:—Does the Hon. gentleman expect the auditor's statement to be signed at the end of every page?

Mr. Whitney:—The point is here. The Hon. gentleman stated that this is the auditor's statement. Now, as a matter of fact it is not. That is the whole matter in a nutshell. The Hon. gentleman should not make a statement which is not borne out by facts.

The Premier:—It is made up in the auditor's office.

Mr. Whitney:—I do not care.

Mr. Ross:—I do not care whether the Hon. gentleman cares or not. If the Hon. Gentleman will allow me to proceed; that statement laid upon the table of the House is always prepared in the Auditor's office and brought down to me as I present it. I believe it is correct in every particular. I am willing to have it examined by the public accounts.

Mr. Whitney:—I repeat. I do not

care, as I said before, whether it was so stated or not. I repeat the remark that I made before in a perfectly proper tone. But my Hon. friend, of course, is paroxysmal, as we all know, and sometimes when you scratch the skin of the Russian the Tarter appears. The Hon. gentleman over there (Mr. Davis) made a statement which is incorrect. His statement was that this was the Auditor's statement. Now, I say it is not the Auditor's statement.

Premier Ross :—It was prepared in the Auditor's office.

Mr. Whitney :—To prove conclusively the truth of what I state we have one statement here that is signed by the Auditor, or rather two of them. The statement with regard to annuities, and the statement with regard to receipts and expenditures. These statements are signed by the Auditor; the others are not signed by the Auditor, and one of those that are not signed by the Auditor is the statement which Hon. gentlemen said was made by the Auditor. Now, whether it was made downstairs or upstairs or in my lady's chamber it does not matter. It is whether the statement will have the value of a statement by public officials when it is not.

It Was True.

Mr. Harcourt, (ex-Provincial Treasurer) :—Mr. Speaker, I am somewhat familiar with the contents of this document, and with the method of preparing it. What my Hon. friend, (Mr. Davis) says is true on the face of it, because the information is there, as he says, and, as a matter of fact, the Auditor, and the Auditor only, prepares and has prepared that statement for many years. You will find that, of course, itemized down to a cent in the public accounts which are on the desks of Hon. gentlemen.

Mr. Matheson :—It does not include within half a million of the expenditure, university aid, beet sugar, etc.

Mr. Harcourt :—Well, My Hon. friend is both paroxysmal, cataclysmal and erratic also.

Mr. Matheson :—Please translate those long words.

Mr. Harcourt :—My Hon. friend long ago learned that we had two kinds of expenditure, and we are the only representative chamber in the world having two kinds of expenditure. One is statutory to which anybody can refer who knows the contents of the statute, which is fixed, and which the Government could not change if it would, which the Auditor in order to place upon the book simply consults the statutes and places it there. Now, Sir, that is statutory. Why should it be there? My Hon. friend refers to railway expenditure. Nothing less than act of Parliament decides that kind of expenditure and the bill goes through all the stages leading up to it. We all know about that kind of expenditure, and the statutory expenditures are honestly put through, and if my Hon. friend (Mr. Whitney) says that because the Auditor's signature is not at the end of every statement the statement as a whole is not his he states what is not correct.

Mr. Whitney :—It is as clear as mud.

Premier Ross :—A very polite remark.

Mr. Davis :—No doubt after the lucid explanation it is perfectly clear that I am absolutely right in my contention. The Auditor also states another point which I think will be of great satisfaction to this House, and a special satisfaction to citizens of this Province. He tells us that the actual operations of the year 1903 show a surplus of between five and six hundred thousand dollars. There is no dispute, I believe, with reference to that statement, and it is one which will give satisfaction. Then, Sir, in looking forward to year 1904, the Auditor in the statement which he presents to the House and to the country, tells us that, with the present estimates he believes there will be a surplus on the year's transactions of about six hundred thousand dollars. Now, I ask the Hon. gentlemen opposite and the citizens of this Province what better financial position is it possible for the Province of Ontario to be in,

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with a large surplus over all our liabilities, with a surplus over the operations of last year, and with a prospective surplus of over half a million dollars on the operations of the present year, and all the public services treated liberally and in the interests of the Province! But while this appears to be so from the Auditor's statement there are objections made by Hon. gentlemen opposite in reference to these statements. The Hon. member for South Lanark in his address tells us that there is a large debt. I do not know exactly how much he represents it to be, it is enormous at any rate; and then he tells us that on the operations of 1903—coming right up against the signed statement of the Auditor—he tells us these statements are not correct, but there was a deficit on the financial operations of that year. And then we are assured, too, that next year will see a still larger deficit, which the Auditor was unable to see any indication of. He looks upon the increased expenditures of this year with great alarm and anxiety. Now, I have been looking back to his speeches ever since he became a member of this House, and the statements made with reference to our financial position here this year is in harmony with the statements he has always made. He has always found deficits, always found enormous debts, and has always told the country that we were in great financial straits. Yet year after year passed by and the surplus is larger still, and each year shows a surplus on the operations of that year. (App.) I take the views, too, of my friend from West York, Mr. St. John, who in a speech last session said that if we were to be blamed for anything it was that we did not spend money enough. He takes an entirely different view to the gentleman from Lanark, (Mr. Matheson) and if my opinion is worth anything the member for West York is more nearly right than his colleague.

Decrying the Province.

Does my Hon. friends think it is a patriotic attitude to decry the financial position of the Province as

they are continually doing? We are endeavoring to get settlers to locate in this country in the great, unsettled portion of the Province of Ontario we are opening out to them, and the inducements we hold out to them as a Province, financially and in other respects, can be offered by no other Province in the world. And still my Hon. friend, from his place in this House, and on his responsibility as a member of the Legislature, assures the country and other countries as well, where speeches of the members of this House are read, that we are in a very bad financial position. I ask is this a patriotic, wise or prudent attitude to assume, I do not mean that, if we are in a bad way financially, or year after year it is proven conclusively that we are in the best possible position financially, better than any State in the American Union, is it fair from a patriotic standpoint to continue to run down the financial condition of the Province in which we live? (App.)

Sh, I have been trying to find a foundation for the statement that we are in debt, as made by the Hon. member, and his contention seems to me to be embodied in the article in the Mail and Empire of the 11th of February, headed "Ontario's Huge Deficit." I find in that article two or three expenditures to which the Hon. gentleman takes exception. One is a payment of \$250,000 for wages at the Soo. I am not dealing now with the prevention of bloodshed and all the graphic features of the Soo difficulties, which we have heard so much of from several Hon. gentlemen opposite, but I am trying to deal with it for one moment from a purely financial standpoint in order that we might see whether the Treasurer or Auditor was justified or not in having that statement left out of the expenditure of last year. That money has not been paid out of the Provincial Treasury, as I understand it. It has been provided for through the bank, under certain conditions, and if certain conditions are complied with, with reference to the opening up and continuing of certain

industries at the Soo, that money will be paid back to the Province. And there is another feature. Supposing that money should not come back, if we never receive a dollar of it in that way there is another phase of the question which should not be overlooked in connection with the subsidies of the Manitoulin and North Shore and Algoma Central Railway. A large number of miles of the road are constructed and in operation, perhaps 70 or 80 miles, with great quantities of rolling stock and equipment, and this road was ere this entitled to the land grant voted by this House for the portion of the road completed had they claimed it, and asked to have that set apart as the Act provides. But so far, they have not received one acre of land by way of subsidy in any way that I am aware of. Now, if we should lose \$250,000 we could cancel the subsidies and the Province would be a long way ahead. Therefore, is not it a perfectly fair and reasonable transaction to have placed this expenditure as it is, and not have it charged in connection with the expenditures of last year.

The Railway a Good Asset.

Another item, too, which my Hon. friend objects is an item on the first page of our statement of the liabilities in connection with railway certificates which he says are not the amounts which are indicated here. The amount indicated here is \$4,022,810, and Hon. gentleman, as stated in this article, claim the amount should be \$6,675,931, exactly the face value of these annuities, and includes interest to maturity, although these certificates will not mature, many of them, for a great many years. Now, I ask any financier, any man who gives any thought to this question if this is not a very unreasonable and very unfair statement to make. For instance we provide under this statement for the actual amount of cash required to liquidate those annuities at the end of last year. That, sure, balances all the liabilities that we have at the present moment. Interest is included and it would not be fair if we should pay the interest for 20 years to-day, if

we liquidate the liability to-day. Take, for instance, a man who figures up his business at the end of the year and has a note running, \$1,000, at five per cent, for five years. If he had his interest paid up to date his liability would be \$5,000. Nobody would think of adding the interest for the next five years and calling that a liability. And then, one other item, and that is all that the Hon. gentlemen objected to, as far as I know, in making up the assets and liabilities, and that is the two and a half million dollars expended on the Temiskaming Railway. I do not know whether that is the correct amount, or not, but assuming it to be so for the moment, that, he says, should also be added to our debt. Now, I ask business men on either side of the House if that is a fair thing to do unless you place the Railway, as far as it has gone, on the credit side of the account. We own the railway and I presume it has been reasonably and cheaply built. The Commissioner of Public Works will no doubt refer to that when he speaks. It is good value for the money, and I venture the statement that other railway companies, when that road is completed, would be very glad to get that road for the amount it cost to construct. Therefore I say it is not a fair position to take at all and the Auditor's statement is the one that is reasonable and accurate, that we have a surplus over liabilities, and also a surplus over the year's operations to which I have referred.

Bonus for Timber.

Then, we are told that bonus for timber should be treated as capital and should be used, if I understand correctly, in two ways. One way is to pay our debts, and the other is for some very important capital expenditure. I think I quote the Hon. gentleman correctly when I put it that way. Now, I want to call the attention of the House and country to the fact that this is just exactly what is being done now. Railway certificates and railway annuities, the liabilities of the Province, as they mature each year, are

paid out of the ordinary revenue of that year, and have been liquidated year after year in that way. So we apply the money that is received for bonus in this way in order to liquidate the liabilities of the Province. Other sums are expended for the erection of public buildings all over the Province, which are proper capital expenditures. (App.)

Failed to Give Mr. Hardy Credit.

My friend tells us that the late Premier, Mr. Hardy, in 1899, reduced the expenditures a hundred thousand dollars less in 1899 than the late Sir Oliver Mowat did in 1894, and gave Mr. Hardy some credit for doing that. However, I have looked back at his statements in the House on the occasion of which he speaks and I find that he failed entirely to give Mr. Hardy any credit on that occasion. (App.) There was the same story reported in the newspaper accounts of his speech on that occasion. "Great deficit; ordinary receipts not sufficient for ordinary expenditures. Province going to financial ruin." Now the statement is made that the Premier, the present treasurer, spent more in 1903 than Mr. Hardy did in 1899. Of course he has. He would not be worthy of the position he holds if he did not spend more money to-day than he did four years ago in this great and growing Province. Are we to be "little Englanders" taking a cramped and narrow view of our immense possibilities, or are we to realize the position which the Province occupies and not be afraid to make such wise and proper expenditures to advance the interests of the Province in every direction as the time and occasion warrants?

Greatly Increased Public Services.

I want to give for the benefit of the House a little table which has been brought up to date, and which I believe will set Hon. gentlemen opposite thinking, as it set me thinking, because, while I knew the expenditures in certain channels were growing, I was not aware that they had increased so rapidly as they had. For instance let us see what caused the increase between 1899 and 1903.

and I may say I have had this statement prepared in the Auditor's department, and I hope there will be no question of the accuracy of the figures. In 1899 the Administration of Justice cost the Province \$423,930. In 1903 it cost \$418,000, an increase of \$25,000. Who objects to that? Administration of Justice must grow as the Province grows, and so must the necessary expenditure. Take the item of colonization and Mining Roads, and these are expenditures in which many Hon. gentlemen opposite are interested, and no doubt they will ask increased grants this year from the Commissioner of Public Works. In 1899 its service cost \$97,927, and in 1903 we expended \$159,258, an increase in four years of \$61,330, to help open up the new country and give the poor settlers who are trying to make homes for themselves in the northern portion of this Province some facilities for transportation. Take agriculture. In 1899 \$259,718, and in 1903 \$378,846, an increase of over \$119,000 in the four years. Who objects to that? Is it not a good and wise expenditure? Education in 1899 \$769,594, and in 1903 \$945,020, an increase of over \$175,000 in the interests of education in the Province of Ontario. Public institutions maintenance, 1899 \$807,598, 1903, \$922,000, an increase of \$114,438. Who is the man who will rise in his place in this House and say the Government are to be blamed for increasing the expenditure in this direction which I have indicated? Hospitals and Charities show an increase of \$14,000; public buildings, an increase of \$215,227, a capital expenditure—met out of bonus from timber, if you like. Fire ranging an increase of \$8,000, Forest Reserves, an increase of \$6,000; Colonization and Immigration, \$8,000. In the matter of survey my hon. friends say we are not spending enough, although last year we spent \$29,000 more than in 1899. During last year also, for the first time an expenditure appears under Good Roads, \$22,000, as, of course, against nothing in 1899. Would the members of this House believe it that the increase in four years in these services alone,

every dollar of which is paid back to the people of this Province to reduce taxation, amounted to \$831,705! Now this is an indication of how the money goes. (App.) And I think we all agree that these are useful and wise expenditures.

Mr. Matheson: What is the increase in receipts during that time?

Mr. Davis: I might say to my hon. friend that the Public Accounts show that increase to have been sufficient to meet the expanding business of the Province and have a large surplus on hand. (App.)

Growth of Crown Lands Business.

Now, I want to give in another way an indication to the members of this House that increased expenditure is necessary in the present condition of the Province. I take the Crown Lands Department because I am more familiar with that; but I believe that, as an illustration, it will hold good with regard to all the other departments of service in the Province. I find that in 1899 there were 34,253 letters received in the Crown Lands Department. In 1903 62,333 were received. In 1899 there were sent out from the department 40,723 letters, and in 1903 51,250. The volume of business, as indicated by the correspondence during those four years, shows an increase of 50 per cent. This means, as we are all glad to see, that the business of the Province is growing in every direction, and it is necessary for those responsible for the conduct of public business to see that we transact as promptly and faithfully as we can this increased amount of business, and that means necessarily, a more or less increased expenditure.

A Wonderful Admission.

Our Hon. friend made a wonderful admission in his address the other day. He actually informed us from his place in the House, that we had enough pine timber left to still have two or three more sales as large as the sale held on the 9th of December last. I am glad he made that discovery. It is a valuable discovery and, in this connection, I would like to quote two or three statements made some years ago by leading gen-

tleman opposite as to the position of our pine. In quoting this I do not do so offensively at all, but for the purpose of showing the want of care with which some Hon. gentlemen opposite make public statements; their lack of accurate data and information leave an entirely wrong and unfair impression upon the people of the Province as to our position. Quoting from the Mail of the 19th of June, 1893, I find that Mr. Miscampbell, a prominent member of this House, said: "We have not the timber area commonly supposed." Mr. Clancy said: "It would not be many years until all the timber resources of the Province would be dissipated." Quoting from the same paper of the 10th of June, 1897, my friend the leader of the Opposition, at Exeter, made this statement: "The timber resources of the Government were all but exhausted; in a few days the sale of almost the last tract would be advertised." A sale was to be held that fall under the direction of my predecessor in the Crown Lands Department. Then, on the 2nd of September, 1897, the leader of the Opposition said, at Shelburne: "Countless acres of timber lands were sold to provide for annual expenses. The last of the timber lands were disposed of three weeks ago." Then the Mail of the 10th of June, 1897, reports my friend, the member for West York, as making the following statement at St. Thomas: "The Government was now advertising the sale of practically all the remaining valuable white pine limits of this Province, including the townships of Rathbun, Davis, Kelly and other locations in the Rainy River District." The leader of the Opposition, at Welland, in the same week, states: "The Province of Ontario was at the end of its resources. In the Toronto papers the last of the Province's assets in timber limits was being advertised for sale." The people of the Province were told that the pine was all gone and that there was no hope for any revenue from pine in years to come. At Collingwood Mr. Whitney said: "Next session, if we have one, the

proceeds of the late timber sale in which the last valuable limit had been sold, would be found to have been poured into the Treasury." Now, I quote these few of many extracts which can be quoted to show the position and view held by Hon. gentlemen opposite as stated by them throughout the Province about the exhaustion of the pine limits. I do not think it is fair on either side for public men to make such statements without regard to their accuracy.

Mr. St. John: Will the Hon. gentlemen tell us what he knows about the amount of pine we have here.

Mr. Davis:—I am just going to tell my Hon. friend something about it. Whenever my Hon. friend has entered into the realm of prophesy he has made a mistake. His prophesy that the Government would be out of business in 30 days is in the same position. (App.) I said I was glad that my friend, (Mr. Matheson) had discovered that we now had pine enough for two or three more sales. That is something, but I want to inform him, and I may say that it is not easy to give accurate figures—

Mr. Matheson: For six long years at least, I have always said that I was informed by lumbermen who knew what they were talking about, that the last large tract of pine timber of the Province of Ontario not under license was the tract between Temagami and Temiskaming. I knew of the existence of that tract of timber there. I knew that it was valuable, and I made that statement and it was never contradicted.

Mr. Whitney:—And it has never been repeated under circumstances like the present, either.

Ten Billion Feet of Pine.

Mr. Davis:—I am sure my Hon. friend was glad to know that his information with reference to the quantity of pine we had was not good. Now, as I was about to state, anyone looking at this matter fairly will, I think, agree that it is not easy to make an exact estimate of timber standing in a Province as large as this. And I think I am also safe

when I say that in the estimates by the Crown Lands Department, going back for a good many years, they have erred on the safe side in making these estimates, which have been under, rather than over, the amount of timber which we possess. Our general estimate, and this is putting it low, show that we are quite safe to say without any hesitation or doubt at all, that there are unsold in the Crown, belonging to the people of this Province, (not including the last sale) at least ten billion feet of good pine. (Cheers.)

Mr. Whitney:—(Ironically) details are of no importance.

Mr. Davis:—They are of great importance, and perhaps there is no man in this House who deals less with details than the Hon. leader of the Opposition. (Government Applause.) I say, Sir, that we consider that there are ten billion feet of pine—and that is a low estimate—standing on the Crown Lands of this Province. This would be as near as we can figure out, at least sufficient to have twenty sales like the sale held on the 9th of December last, and at a moderate estimate, we would realize from bonus from those sales probably \$75,000,000. (Applause.)

Mr. Matheson:—Will the Hon. gentleman tell us where all this pine is? In what Districts?

Mr. Davis:—It is impossible to give everything at once. Before I am through I will show my Hon. friend where a great deal of this pine is. I have not finished my remarks upon pine. As I said this will show a bonus of \$75,000,000. And we have increased the dues with the approval, I believe, of all the parties interested. There has been no objection from any quarter that I know of. This increase from \$1.75 to \$2 a thousand took effect upon pine sold at the last sale, after the proposal had been made known by advertisement and notification to all the lumbermen who desired to buy at that sale, and it is the desire of the department, in matters of this kind, to act fairly and give due and sufficient notice of any changes con-

templated in the regulations. The dues at the last sale, at \$2 a thousand, would amount to \$2,000,000 at least, and it may be more. We think it will but I am trying to be on the safe side. Then we have dues coming in on timber now under license previous to that sale, which are very large areas and gave us a return of dues during the last three years ranging from \$800,000 to \$1,000,000 (App.) That will continue for a good many years to come. To show what the increased dues at the last sale mean I may say that it will make an increased revenue to the people of the Province of \$375,000.

Now Hon. gentlemen opposite have admitted—at least I so understand, and am subject to correction if I am mistaken—admitted that the last sale was a good one. No fault has been found, and I have watched the press carefully and have been unable to find any adverse criticism with respect to it. Some Conservative papers have even said some very kind things in reference to the sale, believing it to be a good one and excellent in every respect from the standpoint of the interests of the people.

We now find, if there is something the Government does that the Opposition cannot possibly find fault with, they claim that it was their policy and for that reason it was so successful. We have had that illustrated in the discussion on free text books, although the Conservatives cannot find anything to bear out their contention on the Journals of the House, nor any motion up to the present time. Now, they tell us that the last timber sale was a good one because we adopted their policy. As far as I am able to construe their meaning in this contention it is this: That some of the berths sold were small berths and more readily saleable because of that fact. If they will take the trouble to go back over the last two or three sales they will find that this is a policy which has been in operation for some little time. Sale by small berths has been on the increase, because, as the country opens up it gives an opportunity to small

dealers to supply local requirements, and this method of disposition is preferable to the issue of permits, which we do not wish to do if timber can be supplied to the local men at public sale. In order to see whether this statement of the Hon. gentlemen opposite was correct, or not, I had the Journals of the House searched from Confederation down to see if a resolution or motion could be found in which the Opposition put itself on record that small berths were desirable, and that timber ought to be disposed of in that way, and I have failed to find either resolution or motion in reference to that question from the Hon. gentlemen opposite. If I have overlooked anything I have no doubt my attention will be drawn to it.

The Pulpwood of the Province.

Now, pulpwood is of some importance to the people of the Province and a good deal has been said of pulpwood and pulp policy. I would, therefore, like to take a few minutes to deal with that question from the standpoint of supply, and the revenue to be derived therefrom. From our exploration reports, and from information which we have, we feel absolutely certain that there are at least 300,000,000 cords of pulpwood standing in the Province upon Crown Lands. At 25 cents a cord, to put it at a low estimate, that would net \$75,000,000 to the treasury.

Mr. St. John:—Will the Hon. gentleman give us some idea where the location of this is?

Mr. Davis:—I will refer my Hon. friend to the report of the colonization parties that went out in 1900, and if he will read that he will find nearly that much accounted for in that year, and a great deal more has been found since. I should think Hon. gentlemen opposite would be delighted rather than annoyed to hear of our immense forest wealth, and I can assure them that the figures I have quoted are under rather than over the estimate. In addition to this pine and pulpwood we have large bodies of hemlock timber standing in the Crown, and

various kinds of hardwood also, which will bring in more or less revenue, depending upon their disposition. And there is one matter which has come to the fore during the past year or two, and which has been pressing itself upon the attention of the Government, and especially upon the Crown Lands department—that is the demand for hardwood coming from furniture factories throughout the Province, and from other factories making wooden ware products in which hardwood is used. We are receiving letters quite frequently asking if there is some way by which we can dispose of hardwood timber in order that they may get the necessary supplies. Now, I am sure that the members of this House, irrespective of party, will all realize that if some step could be taken that would meet their views in this respect, which would be equitable in the interests of the Crown, and fair to the settler, it would be well to have it done. I think I may dismiss in a word our being able to receive any benefit from agricultural lands in this direction, because our policy has been and is to let the settlers have the advantage of the hardwoods on his lot. But there are areas in the Province that are not suitable for agriculture which have these classes of timber upon them and I think it is our duty to make, as we are doing now, an honest effort to see whether some policy cannot be submitted by which the Crown shall receive the best possible revenue from those timbers, and at the same time, supply those men who are anxious to use these woods in their industries, which means the employment of men and the expenditure of money, as well as the development of the Province. (App.)

The Real Quebec Policy.

We have been asked by some Hon. gentlemen opposite to introduce the policy obtaining in the Province of Quebec in the disposition of the pulp timber of the Province. I sincerely hope that the day will never come when the Province of Ontario will adopt such a system.

(App.) I notice in the speech made by my friend, the member for North Renfrew, in N. Oxford, as reported in the Sentinel-Review of January 21st last that he refers to the Quebec system and apparently emphasizes, as he did in the House, its alleged superiority to that which prevails in the Province of Ontario. I also noticed during the campaign in the riding of N. Renfrew the Hon. gentleman took that line in all his addresses. He quoted figures to show that in Quebec they get \$66.71 per mile as a bonus for their pulp lands, and he thinks that is the way we ought to dispose of them, and that it would be to our advantage. Now, the Hon. gentleman was not fair to his own argument, and I do not desire on this or any other occasion to take any advantage of the Hon. gentleman on his own argument. I want to put these matters as they are; if we cannot stand fair argument we cannot stand at all. Now we have sent to Quebec for a statement of sales covering between three and four thousand square miles, with the price obtained for timber on these areas, and putting it altogether and adding it up I find that the average bonus which they received was \$111.11, not \$66.71 per square mile. That is the proposition which this House is asked to adopt. This same information coming from official sources of the Province of Quebec states that each mile of timber sold for \$111, included every stick of timber on that territory—pine, spruce, hardwood, every kind of wood. What member of this House will stand up and say he prefers to take \$111 per square mile, and let every stick of timber go on each mile sold, rather than pursue the policy which is being pursued in this Province at the present time? What do we do in the Province of Ontario?—and this can be confirmed by the record. We have actually placed under license many miles of pine area over which spruce concessions have been granted, and where we have received from the pine alone from one to three thousand dollars per square mile, as against \$111 per mile for all kinds of woods which

they obtain in the Province of Quebec! We get this large bonus for the disposition of the pine only, and, in addition to that, we get large dues as the pine is cut. Then we have the pulp-wood and all the hardwoods, whatever other classes of timber there may be, and when the settler goes in he gets the benefit of that. And, of course, in no case do we dispose of any of the rights to the land. Now what does Quebec do? After they sell these areas at \$111 per square mile on an average and a bonus covering all the timber, they issue a license to the purchaser and he can hold these areas for years and let the timber develop for speculative purposes. Many of the timber areas of Quebec are being held in that way and it is therefore utterly impossible for settlement to go on. Then another very important thing in the interests of the Province is this: No pulp mills are erected. Speculators buy these limits. They are not bound to spend a dollar or put up an industry in order to use the pulp on these lands. Any Hon. member opposite can see the immense advantage of the system which prevails in Ontario. Then, by the payment of 25 cents per cord additional the holders of these Quebec limits can export this pulp-wood from the country when pulp-wood is in demand on the other side of the line. These are some of the features of the Quebec policy.

Quebec Conservatives Want Our Policy.

It being six o'clock the Speaker left the chair at this juncture. In the evening Mr. Davis continued as follows: It is rather a strange thing in connection with this Quebec timber policy, that the Conservative party in the Legislature of the Province of Quebec have advocated time and again on the floor of parliament the policy with reference to pulp that we have in operation in this Province. They condemn the Liberal Administration of the Province of Quebec because of the character of their pulp policy, and the Opposition in this House are ap-

proving of the policy of the Liberal Government of Quebec and condemning the policy in force here, which policy their Conservative friends approve of and advocate in the Quebec House. Then I want to give a quotation from *La Patrie*, the paper edited by the new Dominion leader in Quebec of gentlemen opposite, Hon. Mr. Tarte, who, at the last Dominion election in this Province, was condemned by the gentlemen opposite in very strong language indeed. In this paper the following statement is made, and it is only one of a number of a similar kind which might be quoted: Mr. Tarte called on the Hon. Mr. Parent to enlighten the public as to the reason why, in 1901-2 62,952 square miles of timber limits that Quebec has sold brought that Province only \$654,552 in ground rent and dues per annum, while Ontario, with less than 20,000 miles under license, received from the same service in the same time a revenue of \$1,038,273, and asks an explanation with reference to the showing of Quebec compared to that of the Province of Ontario." Then, Mr. Tarte wants to know in this same article why it is that timber limits in Quebec realize only an average of \$111 per square mile, while Ontario's timber limits at the last sale realized an average of \$4,450 per square mile. Hon. gentlemen and the country will, therefore, see that their friends in Quebec condemn the policy which is in operation there and approve in the strongest possible manner of that which is adopted and pursued by the administration in this Province. (App.) And in this matter, in my own opinion, the Quebec Conservatives are right, and the Ontario Conservatives are entirely wrong.

No Land Given Away.

Now, it is stated by Hon. gentlemen as reported in the press from time to time, that the pulp lands are given away and, quoting again from the speech of the Hon. member for N. Renfrew in N. Oxford, the other day, I find he is reported as follows: "He accused the Government of giving away valuable pulp and timber lands to rich syndicates of capitalists,"

etc. Now this statement is reported from time to time as being made on the stump by speakers on behalf of Hon. gentlemen opposite. I shall be glad to furnish to Hon. gentlemen opposite, if they have lost their copies, further copies of all the pulp concessions granted by this side of the House, with all the conditions attached thereto, for their perusal, so that they may refresh their memories as to exactly what is done under this legislation. We do not give away pulp land. No land is given away. We do not give away pulpwood. Under these agreements 40c. per cord is charged for pulpwood cut on the areas set apart for those who have undertaken the work of carrying out the agreement in connection with these concessions. Then, in addition, and this is where our arrangement is better than the Quebec policy, we have a compulsory clause calling for the erection of a plant for the purpose of making pulp, or paper, or both. In all of these cases, or nearly all, the lowest cost for the plant is half a million dollars, and from that up to one million dollars. Every cord that is cut in these concessions must be ground in the mills that are erected by those who have the concession, and no wood can be exported or used in any other way. This provision gives employment to our workmen, increases business, and gives to us the advantages which the people of this Province, irrespective of party, believe they are entitled to from this great natural asset. (App.) Settlement is not interfered with in any way. In fact a pulp concession has been entirely eaten up by settlement. That is the Blanche River concession. We make provision by which settlement can proceed just exactly as though no pulp arrangement had been made. This is of great advantage to the Province and an advantage to settlement, as it supplies a ready market for the pulpwood on the settler's land. The Quebec policy is just the opposite. It prevents settlement. Large areas are locked up under license and settlement is retarded. My friend from N. Lanark, (Mr. Matheson) is said to have stated that pulp agreements are given to friends of the Government.

Now, if these pulp agreements were examined, with the names associated with each agreement from the beginning until the present time, it will be found that the proportion of those interested in the agreements will be about the same on one side of politics as the other. No political question arises in the matter. Concessions are not given to political friends, but to those who have the energy and capital, and ability to undertake a great development of this kind, and carry it on to a successful conclusion. And men on both sides of politics are engaged in working out these concessions in the interests of the country, and, we trust, also with some advantage to themselves.

The Sturgeon Falls Transfer.

We are told that these concessions are peddled to others. Let us look at this assertion for a moment. The statement was made this afternoon with reference to the Sturgeon Falls agreement that the concession was sold to the Lloyds, and that was given, I assume, as an instance where this peddling of concessions had occurred. Now, what happened in connection with that concession? It is true the Sturgeon Falls people did make a sale to the Lloyds for a very large sum of money, as was reported at the time. It is also true that the Lloyds thought—correctly or incorrectly—that they had made a very bad bargain indeed, and although they had paid several hundred dollars on the agreement they refused to go further, and arbitration ensued. That was settled by the Lloyds handing back to the Sturgeon Falls people the whole concession and losing the money they had paid out for the transfer of the concession, and, I believe, an additional sum besides, as they felt that there was no money for them in the transaction and they would rather be without it. Now, I do not agree that these concessionaires have not got sufficient timber to enable them to operate their mill for many years, and the Sturgeon Falls people have now expended additional sums of money and have been manufacturing pulp and paper for some little time. And they are the original parties who undertook to carry out

this agreement. Then we are told that there is only one running. The Soo mill has been running for many years and doing a very large business, and the Sturgeon Falls mill is also running. Then the Spanish River mill will be the next in order. The Spanish River concessionaires have expended a very large sum of money—\$750,000. Over eight months ago they had expended over half a million dollars on the plant and works and they have been steadily extending ever since.

Under the agreement, if there is more timber there than the plant can handle and any other company desires to erect another mill, and makes application, they will have the same opportunity to erect a mill. Do those Hon. gentlemen opposite who complain that these mills are not in operation the next day after the concessions are granted, realize what it means to complete, equip, and put in operation great plants such as these are. If they think for a moment they will not be surprised that it takes three or four years to successfully carry through—amid all the difficulties connected with the development of water-power—the erection of mills of this description. And when they think of the expenditure required, they will not be surprised that it takes time. I am glad indeed, that we have men in the Province such as those engaged in the operations on the Spanish River, men who are putting their capital into such enterprises. The Province owes a great deal to them. (App.)

Ontario's Immense Forest Reserves.

I now wish to ask the consideration of the House for a few moments to another feature which will have a very important bearing on budget debates in years to come in the Province of Ontario. I refer to our forest reserves. We might, perhaps, divide forestry into three important classes. First our permanent Crown forest reserves, which are set apart in the virgin timber areas that are unsuitable for agriculture and settlement. These are set apart, under certain conditions, for the purpose of producing a permanent revenue. Then, perhaps the second fea-

ture is the reforestation of areas which have been sold and under license and which have been cut over but are not suitable for agricultural purposes and have come back into the Crown. The reforestation of these areas with crops of pine will be of great advantage in years to come. Then there is a third feature, that of farm forestry, which, when inaugurated, will greatly benefit the farms of the older portion of the Province. This is a matter which more properly comes under the department of agriculture and I have no doubt that the Minister of Agriculture, in due time, will have something to say with regard to that matter. A few years ago we set apart the Temagami Forest Reserve comprising 2200 square miles and a couple of months ago we added 3700 miles more, making 5900 square miles now in this one reserve. Then, we have been working on another area, getting information, etc. for some little time past, and to-day by Order-in-Council, under the Forest Reserves Act we have set apart for the same purpose another large tract of territory to be known as the Mississauga River. We have, therefore, set apart as forest reserves no less than 9,000 square miles of virgin area on which the pine timber has not yet been sold. By this means the Crown will have the advantage of continual reforestation by the natural growth on these areas. Where we wish to clear the land for agriculture I do not know that any better plan has been devised for the disposition of pine timber than that which at present prevails in Ontario. Where agriculture is intended to follow it is necessary that timber should be cut clean, and in that way our present system works out very satisfactorily. But these areas set apart for reserves are lands which cannot be used for settlement, and on them the timber can be disposed of annually as the trees mature, allowing the timber that has not yet fully developed to remain until it is in proper shape for cutting to the best advantage. We are now considering the framing of regulations for the disposition of timber on these reserves. As there seems to be some misunderstanding I may ex-

plain that these regulations will be entirely separate and distinct from the regulations under which timber is sold by public auction, and will not interfere in any way, with that system.

New Regulations Required.

The proper framing of regulations for cutting on the reserves is a matter of considerable difficulty and a great deal of care will require to be exercised in order that the conditions may be equitable, and of such a character as to be workable, while at the same time precautions are observed against fire. The general principle would be to have only such timber cut as is designated by the Crown foresters, and the debris cared for in such a way as to reduce the danger from fire to a minimum and give the undeveloped wood a chance to grow to the best advantage. It is possible to estimate the annual growth of pine under certain conditions. There are methods by which forestry bureaus all over the world can do that. These methods of computation would give a very, very large annual increase in growth on an area as large as that covered by our permanent forest reserves. But eliminating the extreme estimate and adopting most conservative figures there is no doubt that the increased growth in these reserves will amount to several millions of dollars a year. (App.) This, of itself, would give to us as much revenue as we are receiving now from our Crown Lands, so that we need not feel at all uneasy as to our future revenue from this source. In order that we may have complete, detailed information it is intended to have a close estimate made—(we already have a general estimate)—of these reserves as soon as it is practical, and have a timber map prepared which will be on file in the department, and which will give valuable information as to the exact location of our pine timber in the largest quantities, and the different stages of growth. In this way we can have information available at all times, which will be a guide as to selling, in order that the best results may be obtained. In this connection I would like to say a word or two with reference to islands in Lake Temagami. Some

members of this House may have visited that lake. If they have they will know something of its beauty and of the 1400 or 1500 islands estimated to be situated there. The Government has decided, and the department has completed an arrangement to have these islands all surveyed, and the work will be entered upon at once. Each island will be numbered and mapped, and a competent timber estimator will accompany the survey party in order that details as to this timber may be on record in the department. The question of disposing of them is a matter that will require a good deal of consideration, and, from letters we are already receiving, will be of considerable interest to the Province. There are many now who are anxious to obtain islands in Temagami for the purpose of summer resorts. Of course those with summer homes in Muskoka, or in Lake Simcoe and the Peterborough districts think they have the prettiest and most desirable sites that can be found. It is a good thing that we have these differences of opinion, and that we do not all desire to locate in the same place. These Temagami islands will open up a large field for summer tourists (and those who want summer homes are increasing from year to year) and it is proposed to frame conditions by which these islands can be made available for this purpose. There is a feature, too, in connection with the Government railway that ought not to be overlooked here. The country is growing and the railway has opened up and made accessible this beautiful lake, with many islands. This is a point in favor of the construction of the railway from North Bay through to Lake Temiskaming.

The Farm Labor Problem.

There is another matter which I think I ought to say a word or two about, because we have had a great deal of inquiry on this point from various parts of the Province and members of this House are interested in this question. That is the question of farm laborers and what the department is doing in that connection. The work of immigration is primarily the duty of the Dominion Government. They expend very

large sums of money on this service and the Province of Ontario pays into the Dominion treasury a pretty fair proportion of the money which goes out for that purpose, and I think I have said on other occasions in the House that I do not think the Dominion Government are treating Ontario quite fairly with reference to immigration. I think there is a greater effort put forth to get settlers into the North-West, than there is to give Ontario a fair share of the result of the expenditure of money in this direction. I may say, however, that during the last year we have received better attention from the Dominion Government than we have hitherto. As a result of representation to them at various times they now assist us more than they formerly did. The Government of this Province is endeavoring to do their part to remedy the shortage of farm laborers. Last year the department sent out direct to the farmers about 2,000 men. In addition to that a number of farmers came at different times to the Colonization office at the Union Station on the arrival of laborers and selected for themselves, with the assistance that could be given by the officers of the department, and took many others away to their homes. Then a number came through and went to friends and obtained employment in the locality where their friends lived. In these ways we estimate that during 1903 at least 5000 laborers were provided for the farmers of the Province. The course taken by the department is this. We send out forms and a letter to the secretaries of the Farmers' Institutes, and to all farmers who apply for farm help, asking them to fill in the form stating what help they required, and giving such particulars as the form calls for. During the present year a larger number of farm laborers have reached the department to date than in any preceding year, and since the middle of January 148 farm laborers have been distributed. Last week forty were sent to their various destinations. Applications for farm help are coming in very rapidly, which would seem to indicate that the demand is not yet supplied. During the last week I am

informed that we had an average of 50 applications a day, and every effort is being put forth to meet this demand. Mr. Kyle has been sent to England by the Government to make a special effort to induce this class of immigration to come to this Province. He is an experienced man and showed by his trip last year that he was thoroughly competent to undertake the work. He is succeeding remarkably well in inducing some of the very best farm help in the British Isles to locate in Ontario.

Our Proud Position.

I feel that I have taken up the time of the House quite as long as I should, and, in conclusion, I think that the country may congratulate itself on the present financial position of the Province. (App.) And I think, also, that the country may congratulate itself on the future financial prospects of the Province. (Renewed Applause.) Not only had we a surplus last year on the ordinary work of the year, but we also have prospect, as I stated in opening, of a large surplus during the present year. And then from our timber resources, under proper management and with proper care, at a very low estimate we can look forward to a revenue of at least \$200,000,000 for the people of the Province in years to come. Now, we do not expect to get more than a million and a half per annum from Crown timber. Even if two million were received per annum it is easy to see that this would make provision, under proper care and management for a hundred years of revenue from that source. (App.) And this is well within the estimate. I am sure that the financial statement of the treasurer, as presented to the House, will not only give satisfaction to the members thereof, but will give satisfaction to the people throughout the Province of Ontario. I trust that no member of this House will try to misrepresent to the disadvantage of the Province our financial position as a Province, a position acknowledged to be unique among not only her sister Provinces of the Canadian Confederation but unique also among the states of the American Union.